

SECRET

May 26, 1954

DRAFT

MEMORANDUM

To: Mr. C. K. Nichols  
OSD

From: David Tilson  
Acting Chairman  
Diversion Control Network

Subject: Increased Participation by the Department of Defense  
in the Enforcement of Security Trade Controls

*Tilson asks comments  
all DCN.*

*Initiative this ltr came from  
Nichols who wanted to bring all  
OSD faults to bear, including  
MAG.*

1. The Diversion Control Network feels that increased participation in the enforcement aspect of the Economic Defense program by the military components of our overseas missions is desirable and should be encouraged. We recognize that such participation must be compatible with the primary mission of these components and that it must be integrated into the organization that already exists for this purpose.

2. In our judgment, the action indicated would be as follows:

*ind 5072 CIC, MIS intang*  
a. Issuance of directives by G-2, ONI, and AFOIN to all Military, Naval, and Air Attaches instructing them to report all information on East-West trade transactions that they might collect incidentally while pursuing their normal duties and to make this information available to the Economic Defense Officer at their post. This directive should contain a detailed EEI to orient the attaches on the kind of information desired and also an explanation of the enforcement program in general. It would be desirable to have this directive authorize the attaches to act on spot collection requests that arose from a report submitted by them. Such request might emanate from the Diversion Control Network, the EDO at the post where the report was collected, or from USRO/ST. Of course service of such requests would have to be compatible with the primary mission of the attaches. The directive should also state that the Economic Defense Officer at the post is the focal point for all action in this field, and that any activities by the attaches in this connection must be coordinated with the EDO.

b. A parallel instruction from EDAC should go out to all EDOs explaining the character of the directives being issued to the service attaches, the delineation of responsibilities, and the policy and procedures to be followed.

c. An attempt should be made to follow up the directives in order to orient the military components of the missions. This should be done informally by the EDOs at the posts and formally by scheduling lectures and seminars at the regular attache conferences. Occasional remarks on the subject might well be included in the monthly letters to the attaches that are sent out by G-2, ONI, and AFOIN.

~~SECRET~~

-2-

d. Similar directives might be sent to the MAAGs.

3. In addition to the steps that should be taken in the field, there is room for improvement in existing arrangements in Washington. For one thing, the Diversion Control Network has become aware, from time to time, of ONI interest and action in specific diversion cases. The communications seem to get into EXCON channels more by chance than design, and in any event are never cleared or coordinated with us. Occasionally, ONI will present an ex post facto memorandum to the IWG on a diversion case. I am sure that with your cooperation, this problem can be resolved with little difficulty.

4. The Diversion Control Network will be glad to assist in implementing any of the actions suggested in paragraph 2.

~~SECRET~~